

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARDS CHANGES, 2021

DOCKET No. N2021-1

**MAILERS HUB
REVISED INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENT
UNITED STATE POSTAL SERVICE WITNESS STEPHEN B. HAGENSTEIN
(MH/USPS-T-3-1)
(May 12, 2021)**

Pursuant to the Postal Regulatory Commission's *Rules of Practice and Procedure* (39 CFR 3010.311), Mailers Hub respectfully submits the following interrogatories, numbered (MH/USPS-T3-1-6), to United States Postal Service witness Stephen B. Hagenstein (USPS-T-3) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, we request that it be redirected accordingly or, if necessary, to the Postal Service for an institutional response.

Please contact the undersigned with any questions.

Respectfully submitted

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MAILERS HUB INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS STEPHEN B. HAGENSTEIN (USPS-T-3)
(MH/USPS-T3-1-6)

MH/USPS-T3-1. Please refer to your testimony on page 3, lines 19 through 23, and on page 4, lines 1 through 9.

a. Please explain the criteria used by the Postal Service to determine whether transportation service will be provided by its own drivers (PVS) or by contract drivers (HCR).

b. Please explain why, if “On average, HCR transportation is less expensive than PVS,” HCR would not be the preferred choice for transportation service.

c. Please explain the phrase “PVS is absent,” specifically to clarify whether such absence is abnormal.

d. Please explain if a situation in which “PVS is absent” is the result of a decision governed by consistently-applied policies, and the degree to which local managers have latitude to make their own determination.

MH/USPS-T3-2. Please refer to your testimony on page 5, lines 1 and 2 and 21 through 23.

a. Please explain how it is determined that a truck is “routinely less than 60 percent full.”

b. Please confirm that such a level of utilization would be in accordance with planned utilization and, if so, how the 60 percent level was chosen. If that cannot be confirmed, please explain the load that is expected “routinely.”

c. Please explain the circumstances under which contracted transportation becomes “over- and under-utilized.”

d. Please explain what steps are taken to monitor for, and to correct over- or under-utilization of vehicle capacity; to verify that such steps were effective; and to take further actions as necessary to prevent or minimize over- or under-utilization of vehicle capacity.

e. Please explain the term “flexibility” and why it is lacking “across the transportation network.”

f. Please explain what steps are taken to monitor for, and to correct inflexibility in HCR contracts; to verify that such steps were effective; and to take further actions as necessary to provide the Postal Service with greater “flexibility.”

MH/USPS-T3-3. Please refer to your testimony on page 10, line 5.

a. Please explain why the assumption was made that “the average APC would be 75 percent full.”

b. Please explain why a higher figure was not selected in order to support the objective of taking “full advantage of the truck’s carrying capacity.”

c. Please explain if other containers were included in the model, such as “BMC over-the-road” containers, pallet, pallet boxes, etc., and what utilization assumptions were applied to each.

MH/USPS-T3-4. Please refer to your testimony on pages 13 and 14, section C.

a. Please explain the process and criteria used in developing the mileage and time in the “proposed service standard assignment rules.”

b. Please explain the reasons why incrementally greater mileage, or more time, were not selected.

c. Regarding the statement:

“The intent of adding incrementally more slack time to the transit windows as distances increased was to encourage pairing of shipments at the origin locations, allow volume transfers via STCs, add buffer time to absorb transportation delays, and still enter letter and flat volume up to the destination CET of 08:00 the day prior to the delivery standard. Allowing such flexibility in the transit time between OD Pairs allows the model to test additional routings for optimization and build efficient routings.”

Please explain the process and criteria used to determine that the model should include “more slack time” in its calculations to “encourage pairing of shipments at the origin locations, allow volume transfers via STCs, [and] add buffer time to absorb transportation delays.”

d. Please explain why the model was not run to optimize direct (non-stop) transportation between origin/destination pairs or to maximize the non-stop distances between pairs that could be allowed while still meeting service standards.

MH/USPS-T3-5. Please refer to your testimony on page 15, lines 10 through 13. Please explain the assumptions regarding vehicle size and capacity.

a. Please explain whether smaller trucks (“5-tons”), or different size trailers (40-, 45-, 48-, or 50-foot) were used as variables or, if not, why not.

b. Please explain whether the model was used or allowed to determine whether smaller trucks could be used to provide direct service between origin/destination pairs instead of assigning the related volume to a larger vehicle on an indirect routing.

c. In order to provide “flexibility,” please explain whether the model allowed for the use of trucks of different sizes on a routing between an origin/destination pair, based on fluctuations in volume. If not, please explain why such “flexibility” would not be desirable.

d. Please explain why the “Maximum volume per 53-foot trailers was modeled as 1,575 cubic feet” if, according to a *Guide to Truck Trailers* (http://www.iccb.org/iccb/wp-content/pdfs/adulted/tdl_bridge_curriculum/tdl_context_math/tdl_math_resource_file/Truck_Trailer_Guide.pdf), the interior capacity of a 53-foot trailer is 3,489 cubic feet.

e. Please explain why the model assumed utilization of only 45.1% of the capacity of a 53-foot trailer.

f. Please confirm that the model assumed that all loads on all trucks would be in APCs, that no modeled loads were in other than APCs that were “75 percent full,” and that no modeled loads were bedloaded. If these cannot be confirmed, please explain the assumed loads.

MH/USPS-T3-6. Please refer to your testimony on page 16, lines 12 through 15, and page 17, lines 1 through 15.

a. Please explain the process and steps used to determine the allowance of an “additional 90 minutes for dispatch preparation and staging” and why it is “the USPS-accepted expectation of when volume would be ready for dispatch following the completion of mail processing.”

b. Please explain whether other shorter time criteria were modeled and, if not, why not.

c. Please explain the process and steps used to determine that “STCs are given a minimum of two hours to process volume and/or cross-dock containers.”

d. Please explain whether other shorter time criteria were modeled and, if not, why not.